



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION  
PO BOX 942879  
SACRAMENTO, CALIFORNIA 94279-0007  
[www.boe.ca.gov](http://www.boe.ca.gov)

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Date

Account  
Express Login

Assembly Bill x4-18 was recently enacted as part of the 2009-2010 California State Budget. This bill added section 6225 to the Revenue and Taxation Code that now requires "qualified purchasers" to register with the Board of Equalization (BOE) and report and pay use tax. **Use tax is not a new tax.** Only the registration requirement is new. Use tax has been a part of the Revenue and Taxation Code since the 1930's. Based on information received from the Internal Revenue Service, you are a qualified purchaser.

A "qualified purchaser" is defined as a person that meets all of the following conditions:

1. Is not already required to be registered with the BOE.
2. Does not hold a use tax direct payment permit.
3. Receives at least \$100,000 in gross receipts from business operations per calendar year.  
**Note:** Gross receipts is the total of all receipts from both in-state and out-of-state business operations.
4. Is not otherwise registered with the BOE to report use tax.

To facilitate reporting, you have been registered with the BOE and issued an Account Number and Express Login Code (both shown at the top of this notice). Beginning March 1, 2010 you can electronically file (efile) your use tax return and select a payment option using BOE-file, the BOE's free efilng system. To begin, register as an eClient by logging on to [www.boe.ca.gov](http://www.boe.ca.gov), clicking on the eServices tab and following the prompts. You will be asked to enter your account number, Express Login Code, and your full name as registered with the BOE. For more information about efilng, visit our website and download publication 159, *eFile Guide*.

Although the Revenue and Taxation Code authorizes the BOE to conduct an audit which may encompass a period going back eight years (longer if fraud is detected) and reserves the right to do so, currently you are only required to report purchases for the years 2007, 2008, 2009, and periodically in the future. A return should be filed even if you did not make any purchases subject to use tax during a reporting period.

The 2007 and 2008 returns were due January 31, 2008 and January 31, 2009 respectively. The 2009 return is due April 15, 2010. Late penalties will apply to tax due for the 2007 and 2008 returns. Penalty will also apply to tax due for the 2009 return if not paid on time. However, the BOE may grant relief of penalty charges, but not interest, if it is determined that a person's failure to file a timely return or payment was due to reasonable cause and circumstances beyond the person's control. To request relief of penalty charges, a person may submit a completed BOE-735, *Request for Relief of Penalty*.

Please refer to publication 123-TG, *How to Identify California Use Tax Due*, for more information regarding use tax. Publication 112, *Purchases from Out-of-State Vendors*, and publication 75, *Interest and Penalties*, provide additional information and may be viewed at our website at [www.boe.ca.gov](http://www.boe.ca.gov).

If you have any questions regarding this new requirement or the filing of your returns, you may call our Taxpayer Information Section at 800-400-7115 (TDD/TDY: 800-735-2929). Customer service representatives are available Monday through Friday, 8:00 a.m. to 5:00 p.m. Pacific time, excluding state holidays.